WEALTH MARKETS AND COMMERCE

NEW WAR ORDERS IN THE STEEL INDUSTRY

For Material $34,000,000 and for Shells $150,000,000.

American steel mills last week accepted contracts for 750,000 tons of shell steel, valued at $54,000,000. Of this total 500,000 tons, valued at $34,000,000, are for direct export, and 250,000 tons, valued at $20,000,000, are for domestic consumption. All of this steel will be used in the manufacture of war munitions.

The domestic orders were made up of a number of small lots, ranging from 6,000 to 50,000 tons each. The greatest proportion of the total—250,000 tons—was for 6¼-inch round bars, that brought 3¾ to 4½ cents a pound. The bars are to be used in the manufacture of 6-inch quick-firing shells, each weighing 150 pounds, according to British specifications. Orders were also placed for forging billets—included in the above total—required in the manufacture of 9.2-inch British howitzer shells, weighing 350 pounds each. Such billets were also bought for shells to be manufactured to French specifications, including 220mm, each weighing 320 pounds. Other orders were placed for heavy forgings for British 12-inch shells, each weighing 1,000 pounds, and for 290mm. French shells, each weighing 700 pounds. The forging billets sold between $65 and $70 a ton and the heavy forgings commanded $90 or more a ton.

It is an interesting fact that when the first war orders were placed here the manufacturers obtained forging billets at $35 a ton.

Preceding this buying of steel, American manufacturers of high explosive shells in the last three weeks were awarded contracts calling for the expenditure of $150,000,000 by the Allied governments, and there is not an industrial plant that has fulfilled previous shell contracts acceptably that cannot have more orders for the asking. It is only a question of capacity and the amount of steel available.

Finance - Economics

GARET GARRETT, Editor.

WALL STREET OFFICE: Mills Building, 15 Broad St. Telephone: Hanover 6514.

Significant Relations.

Money and Prices:	Now.	A year ago.
Stock of money gold in the country	$2,500,229,561	$2,005,399,539
	Latest report, June 30.	Nearest period last year.
Loans of all national banks	$7,606,000,000	$6,659,971,000
Ratio of their cash to deposits	9.6%	11.9%
	Last week.	A year ago.
Loans of Federal Reserve Banks	$108,971,000	$40,818,000
Their note circulation, net	$11,212,000	$15,723,000
Their gold reserve against deposits and circulation	68.3%	84.3%

	Yesterday.	The day before.	A year ago.
Average price of fifteen railroad stocks	118.98	118.62	106.68
Average price of twelve industrial stocks	93.03	92.67	87.38
	Last week.	The week before.	A year ago.
Food cost of living (Annalist index number)	175.73	170.93	145.17
Production:			
	July.	June.	A year ago.
Unfilled U. S. steel orders, tons	9,593,592	9,640,458	4,928,540
		Latest governm't forecast.	Last year's crop.
Wheat crop, bushels		654,000,000	1,012,000,000
Corn crop, bushels		2,777,000,000	3,055,000,000
Cotton crop, bales		12,916,000	11,191,820
Distribution:			
	August.	July.	A year ago.
Surplus freight cars	10,616	52,116	264,243
	—Increase or decrease from last year.—		
	First week of Aug. (10 roads)	Fourth week of July. (29 roads)	Jan. 1 to June 30. (70 roads)
Gross railroad earnings	+9.60%	+7.90%	+23.3%
	—Increase or decrease from last year.—		
	Last week.	The week before.	The year to date.
Bank clearings	+28.8%	+35.9%	+42.1%

Monday, August 14, 1916.

The stock market, representing the conglomerate mind of Wall Street, has never been able to imagine the possibility of a great railroad strike. On the contrary, it has perfectly understood the necessity for violent gestures and shrill vocal sounds, increasing in their intensity at each stage of the controversy. Whether this conglomerate mind works by reason or intuition there is no way of telling, but it works for the most part efficiently. In these matters it is very seldom wrong. That is not wonderful. Common sense would nearly always reach the same conclusion. It has said all the time that a strike was impossible; the imagination has said that that was what common sense thought about the war in Europe, which nevertheless happened. People have talked hysterically about the perilous situation and what it would mean to the people of the cities for the railroads to stop running, forgetting that the railroad employes also are people of the cities. If ever the four brotherhoods seriously thought of putting the country's transportation machine out of business they would have to consider beforehand how to transport their own families and dependents, numbering several million, to places outside the cities where they could be fed. It would not be feasible, of course; they couldn't do it. They could not starve the public without starving themselves. That is to say, they could not strike at all. So, it was necessary to bluff all the harder. And they have done a very goo' job of it.

It would have been hardly decent for the shares of munitions making corporations to celebrate in haste the victory won at Washington over those who had been seeking to tax war profits. Besides, it has yet to be voted on. The compromise on a tax of 5 per cent to be levied upon net profits is extremely moderate. It was brought about, so the day's meagre information was, with the assistance of the Southern Senators, who had been persuaded that a real tax on war profits would "injure cotton." Only Providence may injure cotton, and then in no very reckless manner. The argument is worthless. The prices charged for munitions are so high already that even if a very high tax were added by the producers to the cost and passed along to the consumer, who in this case is Europe, it would make no difference at all. The Allies buy ammunition here not because it is cheap, nor because it is the best, but because there is no other source of supply. They have got to buy.

War profits ought to be taxed heavily. They are abnormal and excessive profits, and they are made at the expense of nearly every one, in some degree. The munitions makers in order to harvest their profits demoralized the labor market. Their competition for raw materials has been such as to penalize all other buyers. Their demands upon transportation facilities have caused freight embargoes. War orders will not wait. Therefore, the munitions makers have had to be imperious in their demands. They have had to pay such prices as would command labor and materials, and in doing so they have made prices for everybody else to pay. They were sure of their own profits. They had a customer who would pay any price, and pay in advance. Other people have been less fortunate. Why should the taxing power be exercised gingerly or tenderly against an industry which has flourished exceptionally at the expense more or less of all the rest of the country?

The Annalist Index Number, made up of twenty-five selected food commodities to express the average food cost of living, went last week to 175.73. That is the highest point on record. A year ago it was 145.17. The money cost of food may be said, therefore, to have touched not only the highest point of this generation, but the highest since the inflated prices of the Civil War period. One must be particular to say the money cost. The actual food cost of living certainly has not risen as much as the money cost. When it is so easy to make a living, it cannot be said that living actually is very dear. But there is no way statistically to express the actual cost.

War's Solvency.

A British war loan, internal or external, is an event in world finance. So is a French, a Russian, an Italian, a Dutch, a Canadian or even an Australian loan. But a new German loan is first a matter of political interest. As a matter of finance it is related not to the present but to the future. Thus, the announcement of a fifth German loan, in a wireless message printed yesterday in The Tribune, could in no possible manner affect the prevailing rate of interest in the world or even touch the rate of exchange between dollars and marks. It could only excite conjecture as to the state of domestic finance in Germany. The Tribune's correspondent, Ernst Kahn, financial editor of the "Frankfurter Zeitung," is one of the best trained financial writers in Germany. He is known personally in Wall Street, where he passed several years. His testimony is wholly trustworthy. He says the new loan will certainly be a success, because deposits with commercial banks and savings institutions are enormous and industry is making great profits, as is proved by the balance sheets now appearing. He means that the corporations will be expected to invest a large portion of their war profits in the war loan, as before, which, of course, they will do. It will be said that he is trying to make out that Germany is growing rich by war. He is not. He is stating only statistical facts. In the next paragraph he calls attention to the inflation of paper currency, which now has passed seven billion marks. There is a strong agitation against any further increase. That is the other side of the picture, and suggests the inquiry whether the German Empire is solvent.

That she should be growing rich on the war is, of course, impossible. But there is taking place a great relocation of capital; the rich are less rich, and many others are relatively rich for the first time. The process is one of levelling. There is also the money inflation, the rise in prices, to create the greater illusion of wealth and of profits.

Germany's solvency is not for the present, or during the war, a matter of any relevance whatever. The question to be answered is whether out of her own resources and energies she can go on feeding and clothing herself and her army and providing vast quantities of munitions. If she can, the means by which the production and exchange of the goods are effected need not be criticised. It is purely a question of self-sustainment in goods. The paper tokens in which they are bought and sold are tokens only, while the war lasts.

Afterward, the question of solvency will arise, but it will be governed more by the outcome of the war itself than by the technique or methods of war finance. If Germany should win, everything she has issued would be good on that account. If she should lose, her financial condition would be desperate, no matter how sound her financial practice had been. And the same is true of her enemies. If they win their securities are good; if they lose, it is not so.

Money

While some money was put out on call on the Stock Exchange as low as 2¼ per cent yesterday, most of the loans were made on a 2½ per cent basis.

Rates for time loans on Stock Exchange collateral opened the week unchanged. There is only a small volume of business doing. Lenders are not inclined to make any concessions at this time, in spite of the dull demand, because of the approaching requirements of the money market. Rates for mixed loans are 2¾@3 per cent for 60 days; 3@3¼ per cent for 90 days; 3¼@3½ per cent for four months; 3½@3¾ per cent for five months and 3¾ per cent for six months.

The opening of the week showed no change in commercial paper. The market was inactive with the rate for good paper at 4 per cent. There were occasional sales of specially attractive names at slightly lower figures.

Federal Reserve Discounts.—Official discount rates in each of the twelve Federal Reserve districts are:

	Maturity in days.			
	10 or less.	30.	60.	90.
Boston	3	3½	4	4
New York	3	4	4	4
Philadelphia	3½	4	4	4
Cleveland	3½	4	4	4½
Richmond	4	4	4	4
Atlanta	4	4	4	4
Chicago	3½	4	4½	4½
St. Louis	3	4	4	4
Minneapolis	4	4	4	4½
Kansas City	4½	4½	4½	4½
Dallas	4	4	4	4
San Francisco	3	3½	4	4½

Bank Exchanges.—The day's clearings at New York and other cities:

	Exchanges.	Balances.
New York	$287,925,397	$16,695,362
Baltimore	5,369,531	498,476
Boston	22,059,261	4,435,613
Chicago	59,731,943	3,347,031
Philadelphia	35,806,184	3,231,222
St. Louis	18,970,017	2,257,734

Sub-Treasury.—New York banks gained from the Sub-Treasury $2,429,000.

Silver.—Bars in London, 31¾ pence. Bars in New York, 68⅝ cents. Mexican dollars, 51¼ to 55¼ cents.

Gold.—There was withdrawn from the United States Sub-Treasury yesterday $320,000 in gold coin for export to Spain.

Gold from Canada to the amount of $2,420,000 was deposited at the Assay Office for the account of J. P. Morgan & Co.

The movement to date totals $212,866,000.

Money at Boston.—Call money to brokers is steady at 3 per cent. Time money is nominally 4 per cent for four to six months, but there is very little doing. Year money is still quoted from 4¼ to 4½ per cent. In outside commercial paper the best names will sell at 4 per cent for all dates where they will sell at all.

The Dollar in Foreign Exchange

Sterling rates were slightly firmer yesterday, with demand bills at $4.75 11-16. Francs were easier. German exchange continues to hold steady at a small fraction above seventy-two cents.

The closing quotations were as follows:

	Yesterday.	Week ago.
Sterling, demand	4.75 11-16	4.75¾
Sterling, sixty days	4.71¾	4.71¾
Sterling, cables	4.76⅛	4.76⅛
Sterling, ninety days	4.69½	4.69½
Francs, demand	5.92⅛	5.91
Francs, cables	5.91½	5.90½
Guilders, checks	41¼	41⅝
Guilders, cables	41⅜	41½
Reichsmarks, checks	72¼	71⅞
Reichsmarks, cables	72⅜	72
Lire, checks	6.48	6.45½
Lire, cables	6.47⅞	6.45
Swiss, checks	5.29¼	5.29¼
Swiss, cables	5.28⅝	5.28½
Austrian kronen, ch'ks	12.35	12.30
Stockholm, kr., checks	28.80	28.70
Copenhagen, kr., ch'ks	28.60	28.59
Pesetas, checks	20.12	20.14
Rubles, checks	30.15	30.10

Below is given the current exchange value of foreign money in dollars and cents, together with the intrinsic gold parity as calculated by the United States Mint:

	Current exchange value.	Intrinsic value.
Pounds sterling	$4.75 11-16	$4.86⅝
Francs	0.16.8	0.19.3
Guilders	0.41¼	0.40.2
Marks	0.18	0.23.8
Rubles	0.30.1	0.51.2

The above rates express the cost of foreign money in terms of the American dollar. You buy an English pound sterling for 4.75 11-16, the intrinsic parity is $4.86⅝ per pound. Thus, you say either that pounds are at a discount or that dollars are at a premium, which is owing to the fact that in England the demand for dollars with which to settle accounts in this country is greater than the demand in this country for pounds with which to settle accounts in England.

If you calculate the cost of the dollar in terms of foreign money—that is, as if you were buying dollars with pounds, marks or francs—its value yesterday and a year ago would be about as follows:

Cost of one dollar.	Yesterday.	A year ago.
In English money	$1.02	$1.03
In French money	1.14	1.10
In Dutch money	.99	1.00
In German money	1.32	1.17
In Swiss money	1.02	1.03
In Swedish money	.93	1.03
In Russian money	1.62	—

WHAT OF THE COPPER BOOM?

A Study of the Prospect for Production and Consumption.

The statement that all European centres are rushing to buy the whole copper output of 1917 was already foreshadowed by John D. Ryan, of the Anaconda company, six months ago, when he said: "It is our belief that during the continuance of the war consumption will at least maintain its present level, and that peace in Europe will bring an enormous demand for copper in all the countries now at war to replace depleted stocks and restore industries in which the metal is indispensible." The price of the metal was 24 cents a pound in January; after moving up to 29½ cents in March it moved down to 25 cents, and has improved again to about 27 cents. The bulls are not counting upon an advance in the price, but they believe the present price will be maintained.

Statistically.

As emphasis is laid on the statistical position it is worth while analyzing carefully the figures of production during the last five years. The production figures for the last five years (in tons of 2,240 pounds) are as under:

	World's production.	U. S. production.
1911	864,275	484,935
1912	1,006,110	554,360
1913	984,860	547,205
1914	893,085	507,025
*1915	1,014,000	611,000

*Estimated.

Consumption during the same period was as under:

	Europe (tons).	U. S. (tons).
1911	614,042	315,000
1912	644,263	360,000
1913	647,170	356,000
1914		290,000
1915		442,000

The figures of European consumption for the last two years are not available; in any case, they are not of much value for the purposes of our inquiry. The fact remains that this country consumed nearly 50 per cent more than in 1914 and 30 per cent more than in the best previous year. It is stated on the best authority that European shell orders alone up to date have been responsible for the use of 200,000,000 pounds, or 90,000 tons, of copper.

Last year's production was 614,000 tons, and imports totalled 136,000 tons; exports during the same period were 270,000 tons. As the actual consumption was 442,000 tons, the stock left over at the close of last year was small. In the seven months of the current year neither the volume of consumption nor that of export has changed. During the last two quarters 140,000 tons have been exported from this country. On the other hand, production has been increasing during the last two quarters.

Rise in Production.

The principal copper companies in this country have doubled and in some cases trebled their output. Anaconda's average is 27,000,000 pounds a month, as against 11,000,000 pounds at the close of 1914; Utah, 16,000,000 pounds, as against 6,000,000 pounds; Chino, 6,000,000 pounds, as against 2,800,000 pounds; Nevada Consolidated, 8,000,000 pounds, as against 2,650,000 pounds. The outputs of only seven companies for the current year are expected to be as under:

	Pounds.
Anaconda	320,000,000
Inspiration	120,000,000
Kennecott	170,000,000
Utah	175,000,000
Chino	75,000,000
Nevada Consolidated	85,000,000
Ray	35,000,000

Or a total of 980,000,000 pounds, or two-thirds of the total production of 1915—which was a record. On this basis, we are safe in counting upon a total output of 1,860,000,000 pounds, or 837,000 tons, for 1916 or 1917. If we take the average of about 350,000 tons as the production of the rest of the world, there will be an available supply of 1,187,000 tons to dispose of. There is little reason to believe that the outputs of other countries of the world will not be maintained at previous levels—especially as the chief producers are Japan, Australia, Russia, Germany and Spain.

What Would Be Normal?

The highest European consumption before the war was 647,000 tons—the total of 1913. Of this, England took 147,000 tons, France 107,000 tons and Germany 256,000 tons. It is barely possible that these countries will take more than the above totals. Germany has been mining in Belgium and Serbia, and has also worked mines that were not commercially profitable before the war—on account of the blockade. The recovery from the battlefields cannot be insignificant, although not so large as some people believe it would prove to be.

Granting that the volume of trade of the European countries does not diminish, and allowing for the widest latitude of industrial demand, which was at its height in 1913, Europe can hardly take more than 640,000 tons. The consumption in this country was 360,000 tons at its zenith; and it must be remembered that the years 1912 and 1913 were followed by a very lean year. The most optimistic estimate can hardly be higher than 360,000 tons. We thus account for a possible consumption of 1,000,000 tons—on the supposition that every factor is favorable to copper. Even then we have a balance of 187,000 tons to dispose of. A supply of 18 per cent more than the demand is hardly a prospect justifying a boom.

WHAT OUR TRADE DIRECTLY OWES TO WAR ORDERS

Anaylsis of the Export Figures of the Last Twelve Months.

By SRINIVAS R. WAGEL.

A past president of the Royal Statistical Society of Great Britain once stated, in all seriousness, that figures can tell the most barefaced lies; the advantage that figures have is that they are able to mesmerize the man in the street. The foreign trade figures for the fiscal year ended June 30 this year are astounding. The total is $6,531,883,577, made up of $4,333,698,535 exports and $2,197,984,842 imports. What other conclusion can an average individual draw but that the country is in apex of prosperity? The last normal year before the war was 1913, and we have an increase over that year of $1,885,414,058 in exports and $405,388,362 in imports. Just as the German Chancellor points to the map for the achievement during the last two years, so Democrats exultantly point to the figures. A recent statement was made that the Republican contention that this prosperity is temporary is absurd, in view of the fact that the export of explosives amounted to only $414,655,383 and the rest was all trade in normal products.

Politics apart, let us make an analysis of the figures and see what they have to say. A prosperous foreign trade is rightly held to mean not only an increase in value, but also an increase in quantities. Except where large sums are due from other parts of the world, an extra rise in imports has also been considered unhealthy. The increase in quantities and values again must be such as to help maintain a stable trade. The report of the Department of Commerce says that prices have risen abnormally. For instance, copper has advanced from $.148 per pound in 1915 to $.244 in May, 1916; pig iron from $52.23 per ton to $101.32; calf leather from $2.71 to $3.24; cotton from $.119 to $.207; chemicals, drugs, etc., from $26.94 per ton to $30.14; mineral oils from $.027 to $.043. Prices of most articles have risen. No valid comparison can be made between totals expressed in terms of pre-war prices and totals expressed in current prices. But the mistake is too often made of comparing values instead of the volume of trade. The abnormal rise in prices in all commodities, both of exports and imports, has been to a large extent responsible for the increase in trade.

Prices and Quantities.

Let us take the imports which show an advance of $405,388,362 over the figures of 1913. I will just point out a few items to show how the rise in value has not been coördinate with the increase in commodities. For instance, 248,000,000 pounds of copper pigs, ingots, etc., are valued at $46,797,000, while 127,000,000 pounds imported the previous year are valued only at $16,000,000; 224,000,000 pounds of cotton and manufactures of cotton were imported this year at a value of $38,500,000, while 165,000,000 pounds came in last year, valued at $20,000,000; flax, hemp and jute to the total of 444,000 tons came in, and are valued at $54,750,000; in the previous year, 308,000 tons came in, valued at $34,700,000. It is needless to give further examples of import values to show that much of the increase is due to the increase in value; the addition, from the point of view of volume of trade, has been in a much smaller ratio.

At present, we are principally concerned with the exports from this country. Exports have always been considered to affect directly prosperity, labor and wages in this country. An increase of $1,885,000,000 over the previous normal figures is certainly worth inquiring into. There is no doubt also that there is considerable quantitative increase, compared to the volume of 1913. In an inquiry of this kind one has to avoid any other consideration but that which is purely economic. A study of the trade figures for several years shows the normal increase possible in each branch of trade. It would be foolish to assume that the trade in aeroplanes, explosives and munitions would continue after the war. As to manufactures of iron and steel, steel rails and manufactures of wire, practically every article, large quantities of which have been bought by Europe, are all manufactured in Europe itself—except the trade in raw materials, which has not increased in value. For the twelve months ended June 30 export of foodstuffs was to the value of $1,231,315,930, as compared to $1,289,735,326 in the previous twelve months. In spite of the decrease, the value of export of breadstuffs has trebled since 1913. The 1916 figures were $415,000,000, as compared with $165,000,000 in 1913. Meat and dairy products were to the value of $254,000,000, as against $146,000,000 in 1913. This increase is due mainly to the rise in prices, as well as the fact that Europe has to buy more on account of the war. By Europe, I mean the Allied countries, because the purchases on neutral account or on account of the Central Powers are infinitesimal.

Wax Trade Alone.

How much of the increase in exports is due to the war is a question which needs careful consideration. It is absurd to state that the only increase can be in explosives, because a large number of other things besides explosives are needed to conduct the war. We have to take a number of years and carefully calculate the rate of progress; further, we have also to find out the articles that are generally used in the conduct of the war. It is not necessary to go in extreme detail into all the commodity figures in order to make our calculations. We have figures only for eleven months, at present; but considering the fact that the proportion of increase in the last month has been much the same as before, it is easy to compute the value for the twelve months. We know that the highest total for exports of brass and manufactures of brass in normal years was under $8,000,000. In the past year, the exports were to the value of $132,909,000. Therefore, it is safe to conclude that $124,000,000 additional export is due to the war. Automobiles and parts of automobiles were exported to the value of $112,900,000. The largest previous pre-war total was in 1914, when the total was only $30,000,000. Allowing for a normal increase, we have still to admit that $80,000,000 of exports are due to the war. The quantity of copper ingots, etc., exported in 1916 was only 631,000,000 pounds as against 627,000,000 in 1915 and 893,000,000 in 1914; but there has been a heavy rise in price, and the war accounts for $59,000,000 of this additional trade. Machine tools, for instance, stand at $52,800,000. The normal trade was never more than $12,000,000. Therefore, $40,000,000 must be accounted for by the war.

I have selected statistically a few leading items, and have arrived at the conclusion that the following increases are due to the war, after allowing for normal advances in volume and value:

Brass and manufactures of brass	$124,000,000
Aeroplanes	6,000,000
Motorcycles	2,000,000
Chemicals, drugs, medicines, etc.	78,000,000
Freight and passenger cars, carriages, etc.	100,000,000
Copper, pigs, ingots, etc.	59,000,000
Electrical machinery	7,000,000
Explosives	408,000,000
Automobile tires	12,000,000
Other manufactures of rubber	6,000,000
Steel bars or rods	25,000,000
Billets, ingots and blooms of steel	32,000,000
Firearms	12,000,000
Gasolene engines	3,000,000
Steam engines and parts	18,000,000
Machine tools, etc	40,000,000
Nails and spikes	6,000,000
Horses	60,000,000
Steel rails	6,000,000
Steel plates	7,000,000
Tinplates, etc	11,000,000
Tools, n. e. s.	5,000,000
Wire and manufactures of wire	28,000,000
Miscellaneous manufactures of iron and steel	40,000,000
Manufactures of lead	4,000,000
Leather and skins, raw and manufactured	60,000,000
Bacon	30,000,000
Total	$1,189,090,000

For the twelve months ended June 20 the increase due to war orders may be safely placed at $1,279,000,000.

Normal Exports Lower.

The exports of the principal raw materials make a very poor showing this year. I have pointed out that it is less than the total of 1915; the total value is no more than $35,000,000 higher than the total of 1913. While prices have gone up, the quantities show a very large reduction. Wheat was 172,000,000 bushels, against 258,000,000 in 1915; corn was 35,000,000 bushels, against 47,000,000; oats, 95,000,000, against 96,000,000; illuminating oil, 821,000,000 gallons, against 884,000,000; flour, 15,000,000 barrels, against 16,000,000 barrels; cotton, 5,900,000 bales, against 8,400,000; cottonseed oil, 264,000,000 pounds, against 317,000,000 pounds. The only items which show substantial increases are bacon, hams and pork. In any case, the total exportation in quantity of raw produce in this country is actually less than that of 1913.

The balance of the increase in the value of trade is mainly made up of slight advances in quantity and very large advances in prices. In my table I only enumerated the principal articles which are connected with war orders; but there are several other items which it would take too much space to detail.

It is noteworthy that there is an actual decrease in the volume of trade in some of the staple industries of this country. The trade in agricultural implements used to stand around about $30,000,000; in 1915 it was only $9,000,000, and in 1916, $15,000,000; sewing machine exports used to amount to $10,000,000 and over; in 1916 they were under $5,000,000; tobacco and manufactures of tobacco used to amount to $61,000,000, and last year they were only $41,000,000.

There is no question of increased wealth and prosperity in the country at present; but people are getting accustomed to believe that this prosperity is only in a very small measure due to the war, and will continue after the war. There is no doubt that the European countries might buy a great deal of materials and machinery for building up the damage done by the war. The figures go to prove that however much they may buy we can hardly expect the totals of 1916, or even of 1915, to be repeated in the near future of post-bellum years.

BRITISH LOAN NOW IS READY

Offering Expected to Follow Settlement of Railroad Controversy.

It was confidently expected in banking circles yesterday that formal announcement of the forthcoming $250,000,000 loan to Great Britain would be made this week. Practically all arrangements have been made for the offering in this market of the notes, which will be a direct obligation of the British government, and will probably run for two years at an interest rate of 5 per cent. The security will be in the form of stocks and bonds of the Dominion of Canada, "dollar" securities, and bonds of the Argentine, Switzerland and other neutral nations.

First reports of the projected plan for further financing Great Britain's purchase of American goods were that all the collateral would consist of dollar securities. It has now developed that it is the intention of the banking syndicate handling the loan to limit the amount of stocks and bonds of domestic corporations to a small minority of the total list.

A decidedly unfavorable turn in the railroad labor situation, it was admitted by bankers, might result in a delay in bringing out the loan. A general strike, they said, would doubtless make it unwise to attempt to sell foreign securities in the face of a tie-up of the important transportation systems of the country, which would necessarily raise the cost of living to a level where investors might deem it inadvisable to increase their holdings of securities.

If the President is able to bring about a settlement of the differences between the railway trainmen and their employers, it is probable that the pending British loan will be followed by another loan to Russia by the bankers who recently arranged a credit of $50,000,000. This same syndicate has an option on $100,000,000 of Russian government bonds, which it may exercise when it considers conditions favorable for their sale in this market.

War Loan Payable in New York?

Will the new war loan be made payable in New York as well as elsewhere? The previous loan was made repayable as par in Canada only, namely, at Ottawa, Halifax, St. John, Charlottetown, Montreal, Toronto, Winnipeg, Regina, Calgary and Victoria. To broaden the market of the second war loan, to be issued next month, it has been suggested that the bonds be made payable in New York as well as in Canada. This suggestion is having the consideration of the Finance Minister.—The Monetary Times.